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November 21, 2019

BY OVERNIGHT DELIVERY TO ALL (w/enclosure)

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Southern Foods Group, LLC
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Demand for Reclamation of Country Pure Foods, Inc.

Dear Mr. Rahlfs and Counsel:

This firm represents Country Pure Foods, Inc. ("CPF"), a creditor with reclamation rights against Southern Foods Group, LLC and/or one or more of its debtor-affiliates (collectively, the "Debtors").

CPF is aware that the Debtors have filed a voluntary petition for relief under title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*, as amended (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas on November 12, 2019. CPF has shipped certain Goods (defined below) to one or more of the Debtors and the Debtors took possession of such Goods prior to the commencement of their bankruptcy proceedings.

Section 2-702 of the Uniform Commercial Code states that where a seller discovers that a buyer received goods on credit while insolvent, the seller may reclaim the goods upon written demand made within 10 days of receipt of the goods by buyer. Section 546(c) of the Bankruptcy Code extends the look-back period to

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45 days. In addition, a demand for reclamation may be made within 20 days of the commencement of a buyer's bankruptcy case if the 45-day period expires after the commencement of such buyer's bankruptcy case.

Pursuant to the above-referenced statutes, demand is hereby made by CPF by this letter, for the return of the goods listed on the schedules and supporting documentation regarding the Goods enclosed herewith, and any other goods that are not indicated therein, but were received in the 45 days preceding the initiation of the Debtors' bankruptcy proceedings (collectively, the "Goods"). Included in this demand are any goods sold by CPF to the Debtors that remained, or may remain, in transit to the Debtors at the time of dispatch of this demand. CPF reserves the right to amend and supplement its supporting documentation regarding the Goods enclosed herewith.

Based upon information currently available to us, we believe that the Debtors received the Goods on credit while insolvent within the 45 days preceding the commencement of the Debtors' bankruptcy proceedings, and as of the date of this letter, no part of the purchase price has been paid for such Goods. Accordingly, CPF hereby demands that all of the Goods be returned to it immediately pursuant to this reclamation demand. In addition, CPF further demands that the Goods be immediately segregated for return to CPF. CPF expressly prohibits any of the Debtors from further consuming any of the Goods or making any further sales of the Goods to others. The Goods shall be held in trust for CPF pending their return.

The total amount of CPF's reclamation demand is \$607,875.88. (See Exhibit A).

In addition, CPF is making a demand for payment of the value of any Goods received by the Debtors during the 20 days preceding the commencement of the Debtors' bankruptcy cases. Section 503(b)(9) of the Bankruptcy Code grants an administrative expense priority claim to sellers of goods received by a debtor in the ordinary course of business 20 days prior to the filing of a debtor's bankruptcy petition. CPF has reviewed its books and records regarding Goods shipped during the 20 days prior to the filing of the Debtors' bankruptcy cases. Accordingly, at least \$402,919.22 is owed to CPF as an administrative expense priority claim pursuant to section 503(b)(9) of the Bankruptcy Code. (See Exhibit A).

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If the Debtors propose to grant administrative expense priority claim,
please promptly confirm such proposal in writing.

Very truly yours,

Stuart A. Krause / with permission BDL
Stuart A. Krause

Enclosure